

Markets This Week Ahead of the Open

Key Takeaways

- The Iranian conflict seems to be one step closer towards its end
 - Resilient tech earnings paved the way for the market's latest rally
 - Momentum continues to push investor optimism to its peak, paving the way for a sustained rally
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The first week of May was one of the most eventful periods of this year, as investors were forced to face a large wave of significant developments across all types of asset classes. Thirty-year treasuries crossed the 5% mark for the first time since July 2025, a threshold that investors have closely watched over the past few years. At the same time, markets also experienced a rally in both equities and precious metals, a rally driven by easing tensions in the Middle East and strong tech earnings. These factors allowed for new records to be set across the board, however, this is shaping up to become a trend that's somewhat of a staple in markets nowadays.

To start the week, broad-market indexes and risk-on assets remained relatively flat as investors patiently anticipated the large wave of earnings reports set to come. Alongside this, investors had also been closely monitoring developments surrounding the conflict in the Middle East. As always, steps towards a resolution is what investors have been looking for, and it was on Tuesday that they received this. A report from Axios, paired with comments from President Trump, confirmed that the U.S. had sent out a revised proposal towards the Islamic Republic, one that they had, seemingly, pushed for. The proposal was primarily centered around the Strait, and its gradual reopening. Talks surrounding Iran's nuclear program were also prevalent, yet not to the same extent as the Strait. Following this report, investor optimism returned, pushing both the S&P 500 and the Nasdaq to record-highs on Friday. It's important to note, however, that this push also came through strong corporate earnings.

This past week saw earnings releases for many large companies, but the largest of them all was AMD. AMD, in the past month, has seen outsized growth following much more favorable investor sentiment. This trend continued this week as well, after a strong Q1 report. Not only had figures gone above analyst expectations, but guidance did as well. Following the report, shares advanced 17% higher. Outside of AMD, Intel has also been another tech name who's recently come into the spotlight. Strong corporate earnings paired with strengthening investor confidence allowed for shares to largely advance as well. This trend, similar to that of AMD, also continued this week following reports highlighting a deal between Intel and Apple. Following the report, shares surged 15% intraday.

These heavy weights allowed for a broader shift in optimism for tech names across the board, which ultimately gave rise to the Nasdaq setting a record-high. It seems as if records are being set every week, and with how markets have been, it'd be hard to go against this trend. The central question, for now, remains the sustainability of this optimism, and whether it's short-term or long. Rationally speaking it would be difficult to see any room for further growth, but as we've seen so far, markets are anything but rational. With valuations continuing to expand, and the middle-eastern conflict slowly coming to a close, it seems as if it's just the beginning of another strong run.